

Fiscal Note

Fiscal Services Division



HF 470 – Guardianship Assistance Program, Permanency for Foster Care Youth (LSB1907HV)
Analyst: Angel Banks-Adams (Phone: (515)281-6301) (angel.banks-adams@legis.iowa.gov)
Fiscal Note Version – Revised

Description

House File 470 expands foster care subsidy eligibility to any adult person who is the grandparent or other relative of a child. The relative of the child must be a licensed foster family home provider, and the child must live with the home provider for a period of at least six months prior to the relative applying for guardianship assistance. The child must be 14 years of age or older. Payments will be received by the guardian until the child reaches 18 years of age.

Background

The Department of Human Services (DHS) administrative rules (441IAC [ch. 204](#)) currently limit foster care subsidies to adult persons not related to the child. However, Title IV-E of the Social Security Act, which is the largest federal funding stream for child welfare services, covers the Foster Care, Adoption Assistance, and Guardianship Assistance programs, and the Chafee Foster Care Independence Program. The [Title IV-E Guardianship Assistance Program](#) reimburses states for guardianship expenditures in three categories:

- Payments to relative guardians.
- Placement services and other services related to guardianship.
- Nonrecurring guardianship expenses.

The Program also provides training for public and private child welfare agency staff, prospective and current guardians, and court personnel working with Title IV-E eligible children.

Assumptions

- The Department completes a modification to the Title IV-E State Plan, and this modification is accepted by the Administration for Children and Families Children's Bureau. In this instance, the Subsidized Guardianship Program would be considered an allowable use of federal Title IV-E funds.
- The federal Title IV-E penetration rate (defined as the percentage of children eligible for Title IV-E funding) for subsidy payments is 55.11%.
- The federal Title IV-E penetration rate for training is 54.86%.
- The Federal Medical Assistance Percentage (FMAP) rate during FY 2018 is 56.74%.
- The per diem rate of Subsidized Guardianship monthly maintenance payments would be the same rate as current foster care maintenance payments (\$21.08 per diem).
- The DHS would be funded at the Governor's recommended funding level for FY 2018 and FY 2019, thereby possessing the ability to expand foster care payments to relatives in the form of subsidized guardianship using the Child and Family Services appropriation.
- 103 children will enter the Program during the first year, after prospective guardians have completed training and the children have lived in the homes for a minimum of six months.

Due to training and licensing requirements, the Department assumes four months of subsidized guardianship payments in the first year of implementation.

- 11 additional children will enter the Program each year beginning in FY 2019, and 11 children will age out of the Program each year.

Fiscal Impact

The expansion of foster care subsidy payments to family members of children ages fourteen and older would increase costs under the General Fund through the Child and Family Services appropriation. The State share of costs for the program would be \$218,622 in the first year due to partial implementation, and would rise to \$575,083 in subsequent years, as indicated below.

Cost of Iowa Subsidized Guardianship Program

Cost of Implementation	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total Cost	\$ 344,891	\$872,503	\$ 872,503	\$ 872,503	\$ 872,503
Federal Share	\$ 126,269	\$ 297,420	\$ 297,420	\$ 297,420	\$ 297,420
State Share	\$ 218,622	\$575,083	\$575,083	\$575,083	\$575,083

Sources

Iowa Department of Human Services
LSA calculations

/s/ Holly M. Lyons

March 14, 2017

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
